

HOUSE BILL 2322

By Kisber

AN ACT to amend Tennessee Code Annotated, Title 5; Title 6; Title 8; Title 9; Title 12; Title 45; Title 48; Title 55; Title 56; Title 57; Title 67 and Title 68, relative to taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 5, Chapter 9, Part 1, is amended by adding the following as a new section to be appropriately designated:

(a) A county or entities of the county shall not contract to acquire goods or services, and no person may contract to supply goods or services to a county or its entities, unless, prior to entering into the contract, the person contracting to supply goods or services and its affiliates have registered with the Department of Revenue to collect and remit the sales and use tax levied by Title 67, Chapter 6. This provision is specifically applicable to foreign persons, notwithstanding the fact that such foreign persons or their affiliates may not otherwise be legally obligated to collect and remit such tax.

(b) For purpose of this section:

(1) "Person(s)" has the same meaning as in § 67-6-102(21).

(2) "Affiliates" means each and every affiliate of the person contracting with the state or other state entities, as the term "affiliate" is defined in § 48-103-102(1).

(c) The commissioner of revenue and the commissioner of finance and administration shall provide procedures to ensure compliance with the provisions of this section.

SECTION 2. Tennessee Code Annotated, Title 6, Chapter 56, Part 1, is amended by adding the following as a new section to be appropriately designated:

(a) A municipality or departments or agencies of a municipality shall not contract to acquire goods or services, and no person may contract to supply goods or services to a municipality or its departments or agencies, unless, prior to entering into the contract, the person contracting to supply goods or services and its affiliates have registered with the Department of Revenue to collect and remit the sales and use tax levied by Title 67, Chapter 6. This provision is specifically applicable to foreign persons, notwithstanding the fact that such foreign persons or their affiliates may not otherwise be legally obligated to collect and remit such tax.

(b) For purpose of this section:

(1) "Person(s)" has the same meaning as in § 67-6-102(21).

(2) "Affiliates" means each and every affiliate of the person contracting with the state or other state entities, as the term "affiliate" is defined in § 48-103-102(1).

(c) The commissioner of revenue and the commissioner of finance and administration shall provide procedures to ensure compliance with the provisions of this section.

SECTION 3. Tennessee Code Annotated, Title 8, Chapter 22, Part 1, is amended by adding the following as a new section to be appropriately designated:

(a) No funds raised through fees imposed by this title shall be used to acquire goods or services, and no person may contract to supply goods or services to the state or state entities, unless, prior to entering into the contract, the person contracting to supply goods or services and its affiliates have registered with the Department of Revenue to collect and remit the sales and use tax levied by Title 67, Chapter 6. This provision is specifically applicable to foreign persons, notwithstanding the fact that such foreign persons or their affiliates may not otherwise be legally obligated to collect and remit such tax.

(b) For purpose of this section:

(1) "Person(s)" has the same meaning as in § 67-6-102(21).

(2) "Other state entities" has the same meaning as in § 12-4-601.

(2) "Affiliates" means each and every affiliate of the person contracting with the state or other state entities, as the term "affiliate" is defined in § 48-103-102(1).

(c) The commissioner of revenue and the commissioner of finance and administration shall devise procedures to ensure compliance with the provisions of this section.

SECTION 4. Tennessee Code Annotated, Title 12, Chapter 4, Part 1, is amended by adding the following new section:

(a) No funds raised through fees imposed by this title shall be used to acquire goods or services, and no person may contract to supply goods or services to the state or state entities, unless, prior to entering into the contract, the person contracting to supply goods or services and its affiliates have registered with the Department of Revenue to collect and remit the sales and use tax levied by Title 67, Chapter 6. This provision is specifically applicable to foreign persons, notwithstanding the fact that such

foreign persons or their affiliates may not otherwise be legally obligated to collect and remit such tax.

(b) For purpose of this section:

(1) "Person(s)" has the same meaning as in § 67-6-102(21).

(2) "Other state entities" has the same meaning as in § 12-4-601.

(2) "Affiliates" means each and every affiliate of the person contracting with the state or other state entities, as the term "affiliate" is defined in § 48-103-102(1).

(c) The commissioner of revenue and the commissioner of finance and administration shall devise procedures to ensure compliance with the provisions of this section.

SECTION 5. Tennessee Code Annotated, Title 55, Chapter 6, Part 1, is amended by adding the following new section:

(a) Funds raised through the taxes and fees imposed by this title shall not be used to acquire goods or services, and no person may contract to supply goods or services to the state or state entities, unless, prior to entering into the contract, the person contracting to supply goods or services and its affiliates have registered with the Department of Revenue to collect and remit the sales and use tax levied by Title 67, Chapter 6. This provision is specifically applicable to foreign persons, notwithstanding the fact that such foreign persons or their affiliates may not otherwise be legally obligated to collect and remit such tax.

(b) For purpose of this section:

(1) "Person(s)" has the same meaning as in § 67-6-102(21).

(2) "Other state entities" has the same meaning as in § 12-4-601.

(2) "Affiliates" means each and every affiliate of the person contracting with the state or other state entities, as the term "affiliate" is defined in § 48-103-102(1).

(c) The commissioner of revenue and the commissioner of finance and administration shall devise procedures to ensure compliance with the provisions of this section.

SECTION 6. Tennessee Code Annotated, Section 67-1-1707, is amended by adding the following new subsection:

() The commissioner may provide tax information to any official of any state agency or other state entity or to appropriate officials of local governments, for the purpose of ensuring compliance with the provisions of Title 12, Chapter 4, Part 1, requiring that persons contracting with the state or other state entities register themselves and their affiliates to collect and remit taxes. No agency or employee thereof who receives tax information under this subsection shall disclose such information to any person other than the person to whom it relates, except as otherwise may be authorized by law.

SECTION 7. This act shall take effect July 1, 2000, the public welfare requiring it.